Washington State University **Agency 365**

Audit Report	Finding Number	Finding and Corrective Action Status	
1020905	2017-001	Finding:	The Washington State University (University) did not have adequate internal controls in place for the fiscal year to ensure the accurate presentation of its permanent endowment fund additions, and investment and component unit footnotes.

		Corrective Action:	The specific errors identified in the footnotes were adjusted prior to publishing the financial statements.
			
			As of July 2018, the University has:
			• Conducted an effective financial statement review and analysis with management to ensure the statements and footnotes are accurate and complete.
			• Developed an internal process to ensure sufficient research is performed to implement new Governmental Accounting Standards Board standards using the checklist for Accounting Standards Changes published by the State Auditor's Office.
			• Invested in training and technical resources to ensure that:
			  o All future changes to accounting guidance are researched and applied to financial statements and footnotes in a timely manner.
			  o Assessment of changes to financial operations are appropriately assigned to responsible staff so that relevant accounting and auditing changes are promptly identified.
			  o Staff involved in financial statement preparation attend relevant trainings and online webcasts related to governmental accounting standards and generally accepted accounting principles.
			
			The University has an established practice of performing secondary review of prepared financial statements and notes prior to submission for audit. However, this management control was not in place during the current audit due to staff turnover and shortages within the Business Services Team. As of January 2018, the University hired a new controller with the experience and credentials to provide appropriate oversight and review of all financial statement reporting activities.

		Completion Date:	October 2018, subject to audit follow-up
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